

The California Energy Commission Advancing State Energy Policy

As the state's primary energy policy and planning agency, the California Energy Commission prepares the *Integrated Energy Policy Report (IEPR)* and collaborates with state and federal agencies, utilities, and other stakeholders to develop and implement state energy policies.

Planning and Energy Policy

The Energy Commission is responsible for preparing the *IEPR* every two years and the *IEPR Update* in the intervening year. The *IEPR* and *IEPR Update* present information about California's energy trends and issues. This includes integrated assessments, analyses and forecasts of all aspects of California's energy industry, supply, production, distribution, demand, and prices.

They also include policy recommendations regarding actions to respond to or avoid future shortages in electricity and natural gas supplies and growing dependence on imported transportation fuels. These policy recommendations inform energy policy decisions made by the Governor, Legislature and other state agencies and help balance the need to promote affordable energy supplies, improve energy reliability, conserve resources, enhance the state's economy, and protect public health and safety.

The value of the *IEPR* and *IEPR Update* is the comprehensive integrated approach to solving California's pressing energy needs and issues. The energy policy recommendations proposed in the *IEPR* and *IEPR Update* have far-reaching effects and are developed in consideration of a wide variety of stakeholders in a transparent and public process.

These integrated cross-sector assessments, analyses and forecasts help ensure that California remains a national and international leader in energy policy.

The electricity demand forecasts are particularly important for electricity system planning to ensure that supply meets demand in a cost-effective, environmentally preferred, and reliable manner. For example, the California Public Utilities Commission (CPUC) and California Independent System Operator (California ISO) use this forecast for electricity generation procurement and transmission planning.

Also, policy recommendations made in the *IEPR* are often used as the basis for energy-related legislation. For instance, the importance of increased and accelerated renewable energy goals was first raised in the *2003 IEPR* and was subsequently formalized in state law as California's Renewables Portfolio Standard to require utilities to procure 33 percent of their electricity retail sales from renewable resources by 2020.

This policy is consistent with the state's Loading Order policy which directs investment in energy efficiency, demand response, renewable energy and distributed generation before investing in natural gas power plants and electricity system upgrades to meet California's growing electricity demand.

Developing the Report

The Energy Commission designates a Lead Commissioner to oversee each *IEPR* and *IEPR Update*. That Commissioner identifies high-priority topics as well as topics mandated by the Legislature. The Energy Commission then develops a scoping order specifying the key issues to be addressed in each *IEPR*.

To assist with the report's development, the Energy Commission has the authority to collect relevant and necessary data, serving as the state's "central repository" for storing, analyzing, and distributing facts about all energy production and use in California. The Energy Commission requests data on topics such as fuel use and electricity and natural gas consumption from utilities. The data collected informs the Energy Commission's energy assessments, analyses and forecast.

Broad stakeholder participation is an integral part of the *IEPR* development process. The Energy Commission conducts public workshops on the topics identified in the *IEPR* scoping order and invites stakeholders to present their comments and concerns orally or in writing. These comments become part of the public record and are carefully considered in developing the report.

The Energy Commission also collaborates closely with the CPUC, the California ISO, the California Air Resources Board, the State Water Resources Control Board, and other agencies throughout the process. The Energy Commission draws on a wide variety of sources, including its own analyses, information presented at workshops, and input from the public to develop a draft report. The draft report is made publicly available for comment and is typically presented at a public workshop.

Publicly vetting of the report provides stakeholders, the public, and other state agencies a second opportunity to provide input and feedback on issues covered in the report.

Once the *IEPR* has been adopted by the Energy Commission, it is submitted to the Governor and Legislature.

Progressive energy policies and long-term planning are essential components of California's economy which depends upon affordable, reliable, and environmentally responsible supplies of electricity, natural gas, and transportation fuels.

Western States Integration Planning

The Energy Commission also participates with other states' energy agencies and industry groups including the Western Governors Association, Western Electricity Coordinating Council and the Northwest Planning Coordinating Council to access and share current energy data and to ensure that energy planning activities and actions are complimentary and coordinated in the western United States.

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